

Message Text

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ACTION XMB-04

INFO OCT-01 AF-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 TRSE-00 OPIC-03 SP-02
OMB-01 INRE-00 SSO-00 USIE-00 /044 W
-----056766 191241Z /14
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FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC IMMEDIATE 4326

C O N F I D E N T I A L NAIROBI 0926

PASS LENTZ, EXIMBANK

E. O. 11652: GDS
TAGS: EFIN, KE
SUBJ: GOK APPLICATION TO EXIMBANK FOR KENYA FIBRE CORP
POLYESTER PROJECT

REF: STATE 7884

1. EMBOFF MET WITH TREASURY UNDER SECRETARY SHAMALLA TO DISCUSS EXIM CONCERNS EXPRESSED IN REFTEL.
2. SHAMALLA, WHO HAD HEARD OF GOK EMBASSY AND CHEMTEX REQUEST FOR EXIM DELAY THROUGH THE GRAPEVINE, EXPRESSED CONCERN OVER THIS DEVELOPMENT. HE SAID THAT NEITHER EMBASSY NOR CHEMTEX HAD BEEN AUTHORIZED BY GOK TO MAKE SUCH A REQUEST. SINCE GOK WILL BE DIRECT BORROWER IN THE EVENT OF A FAVORABLE DECISION ON EXIM FINANCING, SHAMALLA SAID CHEMTEX HAD NO BUSINESS INTERFERRING IN PROGRESS OF EXIM REVIEW. SHAMALLA HAS SENT A TELEX TO EXIM REQUESTING YOU MOVE AHEAD ON CREDIT REVIEW. THIS TELEX IS TO REASSURE EXIM THAT THE GOK (TREASURY) HAS NOT REPEAT NOT REQUESTED A DELAY IN PROCESSING CREDIT.
3. SHAMALLA SAID COMMERCIAL BANK FINANCING HAS BEEN INVESTIGATED AS A ALTERNATIVE IN CASE EXIM CREDIT IS NOT FORTHCOMING. HE
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SAID THE PROJECT HAS BEEN DELAYED LONG ENOUGH AND THE GOK AND PRIVATE INVESTORS WANT TO BE ABLE TO MOVE QUICKLY IF THEY HAVE TO. THUS, COMMERCIAL BANKS SOURCES AT THIS POINT ARE A FALL-BACK IN EVENT EXIM DECISION UNFAVORABLE. HE SAID PRIVATE PARTIES INVOLVED HAVE BEEN PUSHING HIM TO GO AHEAD WITH COMMERCIAL BANK FINANCING IN ORDER TO GET PROJECT MOVING. SHAMALLA SAID HE IS DELAYING ANY DECISION ON COMMERCIAL BANK

FINANCING UNTIL EXIM DECISION HAS BEEN MADE. HOWEVER, HE IS EXPERIENCING MORE DIFFICULTY IN DELAYING AS TIME GOES ONE.

4. SHAMALLA REQUESTED EXIM DECISION AS QUICKLY AS POSSIBLE. PARLIAMENT IS SCHEDULED TO RECONVENE NEXT MONTH AND SHAMALLA WISHES TO BE ABLE TO PRESENT THE FINANCING PACKAGE TO PARLIAMENT FOR APPROVAL SOON AFTER IT RECONVENES.

5. SHAMALLA SAID THAT U.S. EXPORT COMPONENT OF PROJECT WILL STILL TAKE PLACE EVEN IF ALTERNATIVE FINANCING MUST BE UTILIZED.

6. PLEASE INFORM EMBASSY OF RESULT OF EXIM REVIEW AS SOON AS DECISIONS IS MADE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, FIBERS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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ISecure: 1
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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TAGS: EFIN, KE, XMB
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Type: TE
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